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AVERAGE ANNUAL EMPLOYMENT TRENDS
IN THE TIMBER-BASED INDUSTRIES
OF
MASSACHUSETTS
1958 to 1967

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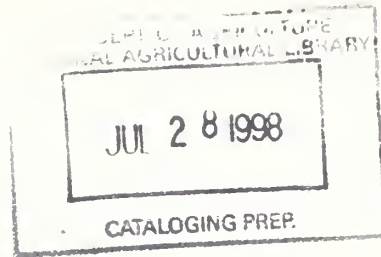
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Division of Cooperative Forest Management

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OF
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11. 5. 1965

Introduction

A considerable change in employment opportunities took place between 1958 and 1967 in many of the 16 timber-based industry groups included in this report. Total employment in the State of 53,211 in 1967 was only 622 more than the total of 52,589 in 1958. The range was 1958 jobs, from the 52,589 low to the high point of 54,547 in 1960.

Not all of this employment was in timber-based industries; in the Furniture and Fixtures classification, SIC 25, employment in metal-based manufacturing firms is included and may account for up to 50% of the totals in SIC 25. Metal and wood furniture-fixture plants are combined in the 3-digit coding used in this report. The 2 can be separated in 4-digit codings, but 4-digit listings of data were unavailable.

All data used were supplied by the U.S. Department of Labor's Boston Office. The original source data was provided by the Massachusetts Employment Services. Only employment covered by unemployment compensation regulations is shown in the report.

From the small number employed in Logging, it appears logical to assume that most employment in all 3 timber-based classifications depends on wood or fibre imports from other states. Although there is an estimated 30% more people employed in logging operations who are not covered by unemployment compensation, such as self-employed, the estimated total number is too small to be of any great significance as a basis for a total timber-based employment of 40 to 50,000.

A. Lumber and Wood Products, SIC 24

Employment in this major classification of manufacturers declined slightly. The 10-year period high was 5,678 in 1960 and the 5,258 in 1967 was only two more than the 1965 low. Of the 5 groups included, 3 showed higher employment in 1967 than in 1958,

2 showed less. Almost all of the loss in jobs was in the Wood Box and Container group SIC 244.

1. Logging, SIC 241

There was an average of 91 employed by the Logging manufacturing group in 1967, the high for the period. This was an increase of 40% from the lows of 65 in 1958 and 1962. However, logging employment opportunities would appear to be limited in Massachusetts. The seasonal nature of logging operations may be a factor, but monthly employment data were not studied. Monthly employment in the 3 northern New England States showed that monthly employment could deviate 40 to 90% from the annual average figures.

2. Sawmills, Planing Mills, SIC 242

Average annual employment of 498 in 1967 was only slightly higher than the 489 in 1958. However, it was considerably higher in the intervening years, the peak employment years being 1960, when it was 665, and 1962, when it was 650. The general trend since 1960 appears to be a slow decline in the number employed. Assuming no market change, the decline could indicate either automated operations or better utilization of manpower or both.

3. Millwork, Veneer, Plywood, SIC 243

Annual averages ranged from a low of 1,311 in 1960 to a high of 1,519 in 1962. Although the 1,362 employed in 1967 was slightly less than the 1,371 in 1958, there appears to have been a small upward trend in employment in the period.

The manufacturers in this group are the next to largest employers in the Lumber and Wood Products classification. The range of 208 in annual average number employed in 2 years of the period, or 16% of the 1960 average, may be indicative of uncertainties in markets for products manufactured. In general, however, they represent a relatively stable labor market.

4. Wood Boxes, Containers, SIC 244

There was an average of 754 employed in 1967, a steady decline from the high of 1239 in 1959. The drop of 485 or 39% probably indicates manufacturers in this group are becoming less able to meet prices of competing goods, primarily those of paper container manufacturers. Whatever the reasons may be, employment opportunities have declined radically in the 10-year period.

5. Wood Products Not Elsewhere Classified, SIC 249

Manufacturers in this group provided nearly half of all 1967 employment in the Lumber and Wood Products classification. In 1958, they provided about 43% of the jobs. The 1967 high was an increase of 309 or 14% more than the 1962 low of 2244.

There was a sustained rise in number employed from 1962 through 1967. Manufacturers in this group usually employ more women than any of the other Lumber and Wood Products firms, and most are "labor intensive" manufacturers, i.e., rely more on manual labor than machinery in manufacturing marketed products. For these reasons perhaps, they usually pay low annual wages. Increased employment opportunities in this group may therefore be a somewhat mixed advantage to the State.

B. Furniture and Fixtures, SIC 25

Data include employment in both wood and metal furniture-fixture manufacturers. Of the 5 groups in the classification, 2 show an increase in number employed, 3 show a decrease. Employment was highest in 1959, when 12,724 were employed, and lowest in 1967 with 11,002. The drop from the high of 1722 jobs was a loss in numbers of 13 1/2%.

1. Household Furniture, SIC 251

Household Furniture plants accounted for over 76% of the employment in 1967. In 1958, they accounted for over 79%, thus there was a slight decline in the relative importance of these firms, so far as employment within the classification was concerned.

Highest average employment occurred in 1959, 10,276, and in 1965, 10,205. As can be seen on the graph, wide fluctuations in average annual employment are a characteristic of household furniture manufacturers in the State. The difference of nearly 1360 jobs between the high and low annual employment figures is over 13% of the high figure.

In general, it is obvious that this group of manufacturers is a major source of jobs, but that job stability could be improved. If the basic cause of relative instability is the rise and fall in demand for household furniture, manufacturers may be hard pressed to reduce fluctuations in labor requirements. As Massachusetts firms employ more people than the total in the 5 other States of New England, it is likely that the labor opportunities and problems of firms in the other States are influenced by those of Massachusetts firms.

2. Office Furniture, SIC 252

Average employment at the beginning and end of the period changed little. The high of 430 in 1963 was close to the 1967 figure of 424 and the 1958 average of 397. The lowest employment occurred in 1965 at 337, a range of 93 between 1963 and 1965. No trends in employment opportunities were apparent in the 10 years.

3. Public Building Furniture, SIC 253

Average employment in this group has declined significantly in 10 years. Highest employment of 525 occurred in 1959, the lowest of 151 in 1966, a decrease of 71%. Reasons for the drop in job opportunities are unknown. Ranked 3rd in employment totals in 1958, manufacturers in the group employed the fewest number of people in 1967 of all Furniture and Fixture manufacturers.

4. Partitions and Fixtures, SIC 254

Next to the largest employers in the classifications, firms in this group were the only ones to show a sustained significant, increase in employment. Employment in 1958 was 974, and in 1967, 1240. Lowest employment for the period was 947 in 1959, the highest 1304 in 1966, a difference of 357, or 38%.

Comparison of employment data for the group with that of others in the Furniture-Fixture classification does not suggest that increased employment resulted from a re-classification of other firms in the general classification. Firms in the group apparently are finding a favorable business climate for growth, and employment opportunities are increasing as a result.

5. Furniture and Fixtures Not Elsewhere Classified, SIC 259

Average annual employment in this group ranged between the low of 545 in 1963 and the high of 651 in 1965, except for 1967. Employment in 1967 dropped to 265 from the previous year figure of 634. The sudden drop after 9 years of rather stable employment could result from business failures, work stoppages, or an error in the data reported. Prior to 1967, there was no trend evident from the employment data. If the 1967 data are correct and the result of business failures, employment opportunities obviously have declined sharply.

C. Paper and Allied Products, SIC 26

Paper and Allied Products firms account for nearly 70% of the employment in the 3 major classifications studied. Employment increased 1729 from the low of 35,271 in 1958 to a high of 37,000 in 1966. The figure for 1967 was 36,951. Of the 6 groups in the classification, 2 showed significant increases in employment, 2 practically no change, 1 a slight decrease, and 1 a modest decrease. Both decreases are probably attributable to technologic improvements in production methods.

1. Pulp Mills, SIC 261

Employment by pulp mills is very minor. The number employed was almost constant during the period. As the number employed is indicative of the production capacities, to a large extent the data explains the small number of loggers employed in SIC 241, Logging.

2. Paper Mills, SIC 262

Paper mill employment of 10,794 in 1958 was next to the highest in number of all Paper manufacturing. In 1967, the 10,029 employed dropped the group to 3rd place.

If the reduction in manpower use resulted from the same cause as in Maine, it resulted from capital investments in new plant equipment rather than a reduction in production. Because of the small number employed in Logging, it is assumed that paper mills in Massachusetts operate almost entirely on imported pulp rather than State log supplies.

The high point in employment was in 1960 when 11,173 were employed. The low for the period was in 1967, the reduction in manpower use occurring steadily from 1960 to 1967. It is likely that the reductions in manpower use from new plant equipment had about ran its course by 1967, and that manpower requirements may stabilize at about 10,000 people.

3. Paperboard Mills, SIC 263

There was little change in manpower use in Paperboard mills, other than a slight reduction in numbers in 1967. They employed 2491 in 1958, and 2364 in 1967, down 5% from the 2498 in 1966.

For the period, the high employment occurred in 1960 at 2537. While the lowest was in 1967, there was a low in 1959 also of 2391. Throughout the period, employment ranged a total of only 174 people, or about 7% above the lowest number. In this important manufacturing group, manpower use apparently has been stabilized at about 2400 to 2500 people.

4. Converted Paper Products, SIC 264

The largest employers of all Paper firms, this group also shows the greatest fluctuations in employment. In the period, there was a difference of 2200 jobs between the smallest employment in 1963 of 12,099, and the highest in

1967 of 14,298, a difference of over 18%.

It is possible that some of the increase could have resulted from conversion of Paper Mills (SIC 262) to this group (SIC 264). There was a rapid drop in Paper Mill employment in 1966-67, and a sharp rise in converted Paper Products in the same period.

Converted Paper Products manufacturing employment obviously has grown since 1963. The group of manufacturers employing the largest number of people at the start of the period, their dominance in labor fields increased by 1967. If the dominance in labor fields is soundly based in business fields, the mills in Massachusetts should play a leading role in the further development of Paper and Allied Products employment throughout New England.

5. Paper Boxes, Tubes, Containers, SIC 265

This group of manufacturers is the only other one in Paper and Allied Products to show a significant increase in employment. It displaced Paper Mills as the 2nd largest employer group. Employment has risen steadily from the 1958 low of 9475 to the peak in 1966 of 10,268, an increase of 793 or over 8%. Employment in 1967 dropped slightly to 10,138.

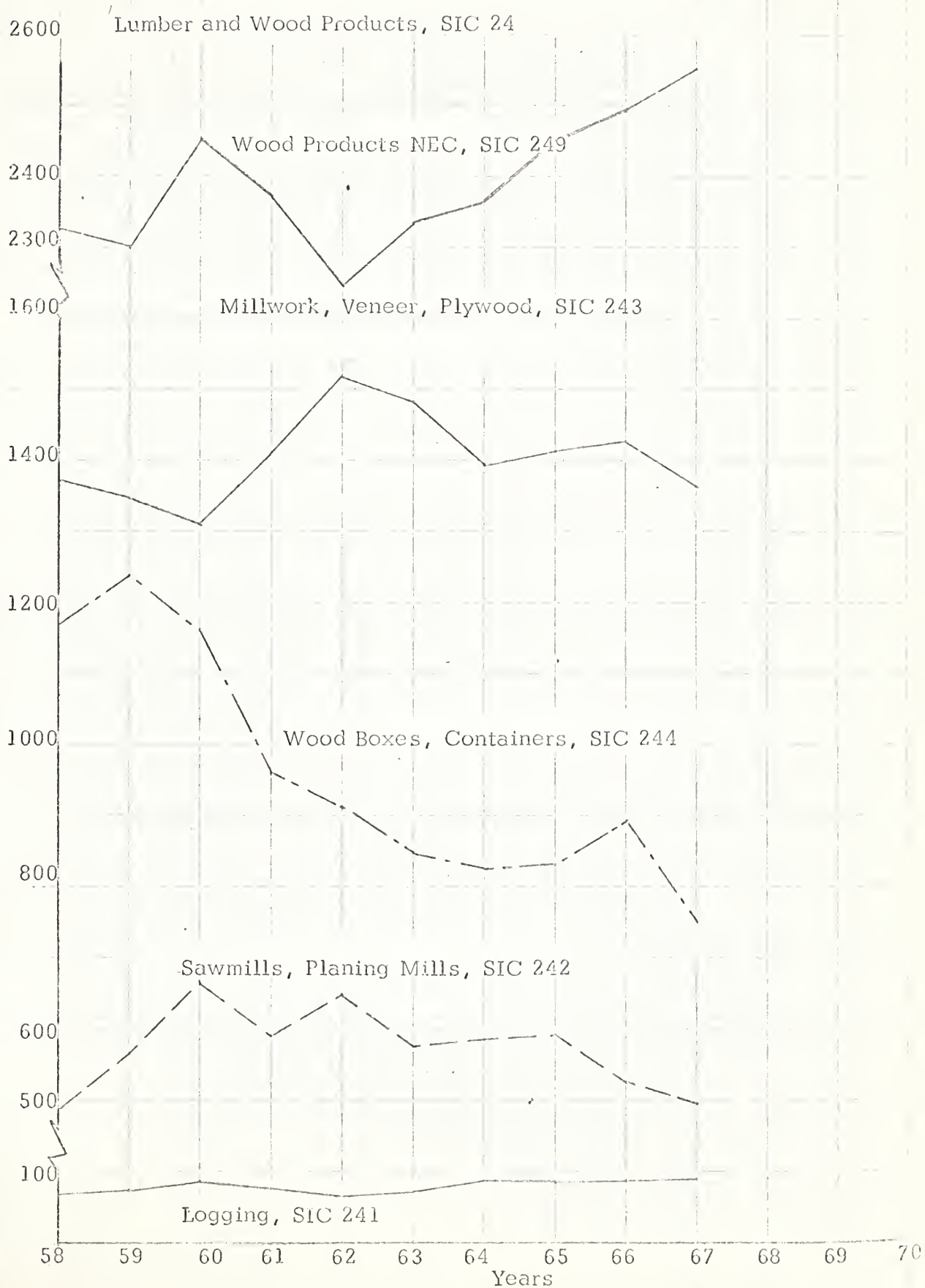
The major competitors of Wooden Container manufacturers (SIC 244), the increase of 793 jobs more than compensates for the loss of 485 jobs in Wooden Container manufacturing. It is unlikely, however, that there was any physical change over among the 485 who lost jobs. As the growth of Paper Container manufacturing likely will continue, and the decline in Wooden Container manufacturing also, the possibility for manpower shifts should be studied.

Retraining of workers would be necessary.

6. Building Paper and Board Mills, SIC 266

Employment in this group shows little trend over the 10 years other than a slight reduction in manpower use from 1964 to 1967. There was an average of 117 employed in 1958, and 104 in 1967. The greatest number employed was 139 in 1962. It is likely that employment for 100-110 people will continue into the future, and could expand if current national housing objectives were achieved in the future.

Average Annual Employment in Massachusetts
Timber-Based Industries, 1958 to 1967



NEC: Not Elsewhere Classified

Average Annual Employment in Massachusetts
Timber Based Industries, 1958 to 1967

Furniture and Fixtures, SIC 25 1/

10400

10200

10000

9800

9600

Household Furniture, SIC 251

9400

9200

9000

58

59

60

61

62

63

64

65

66

67

68

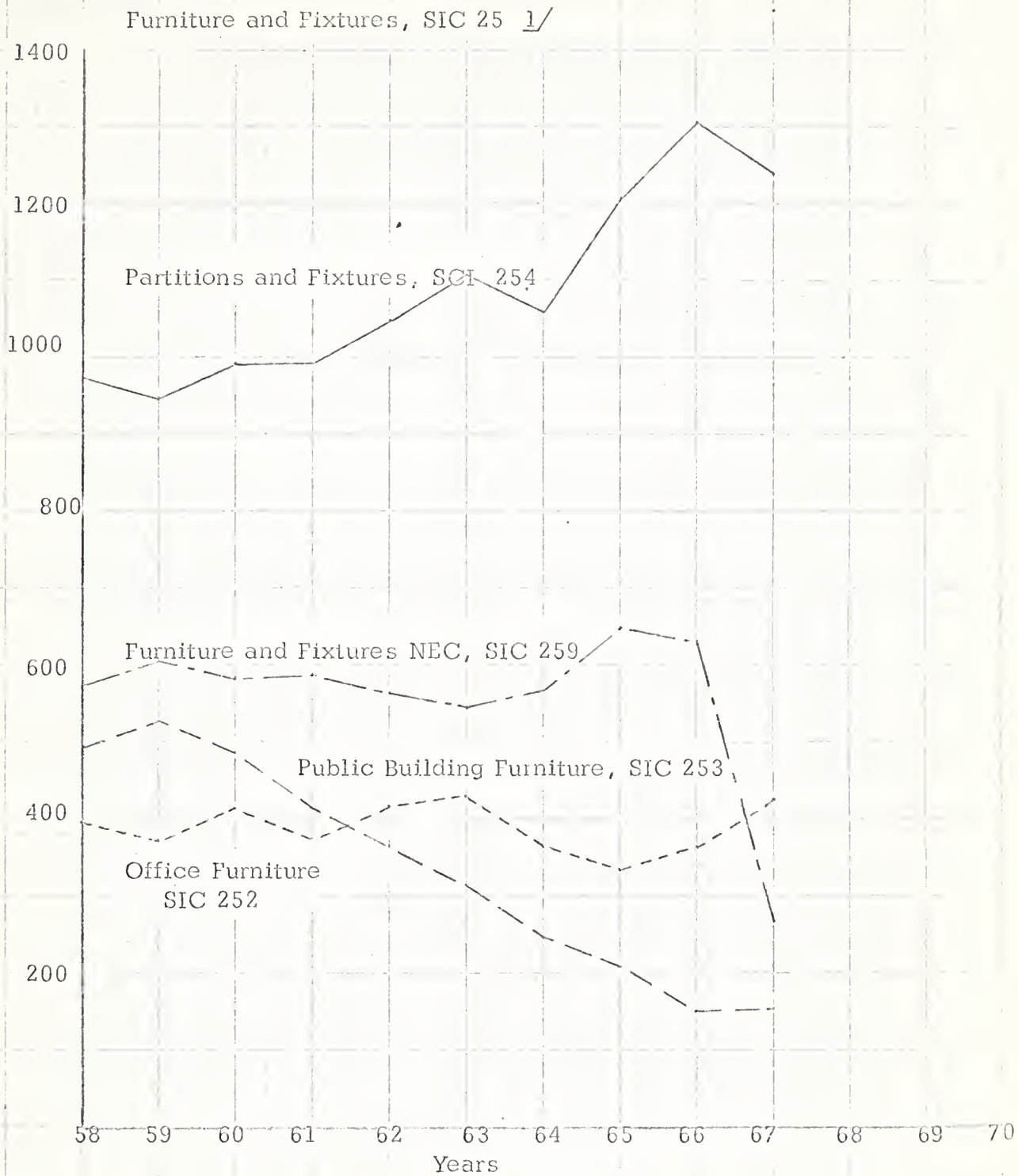
69

70

Years

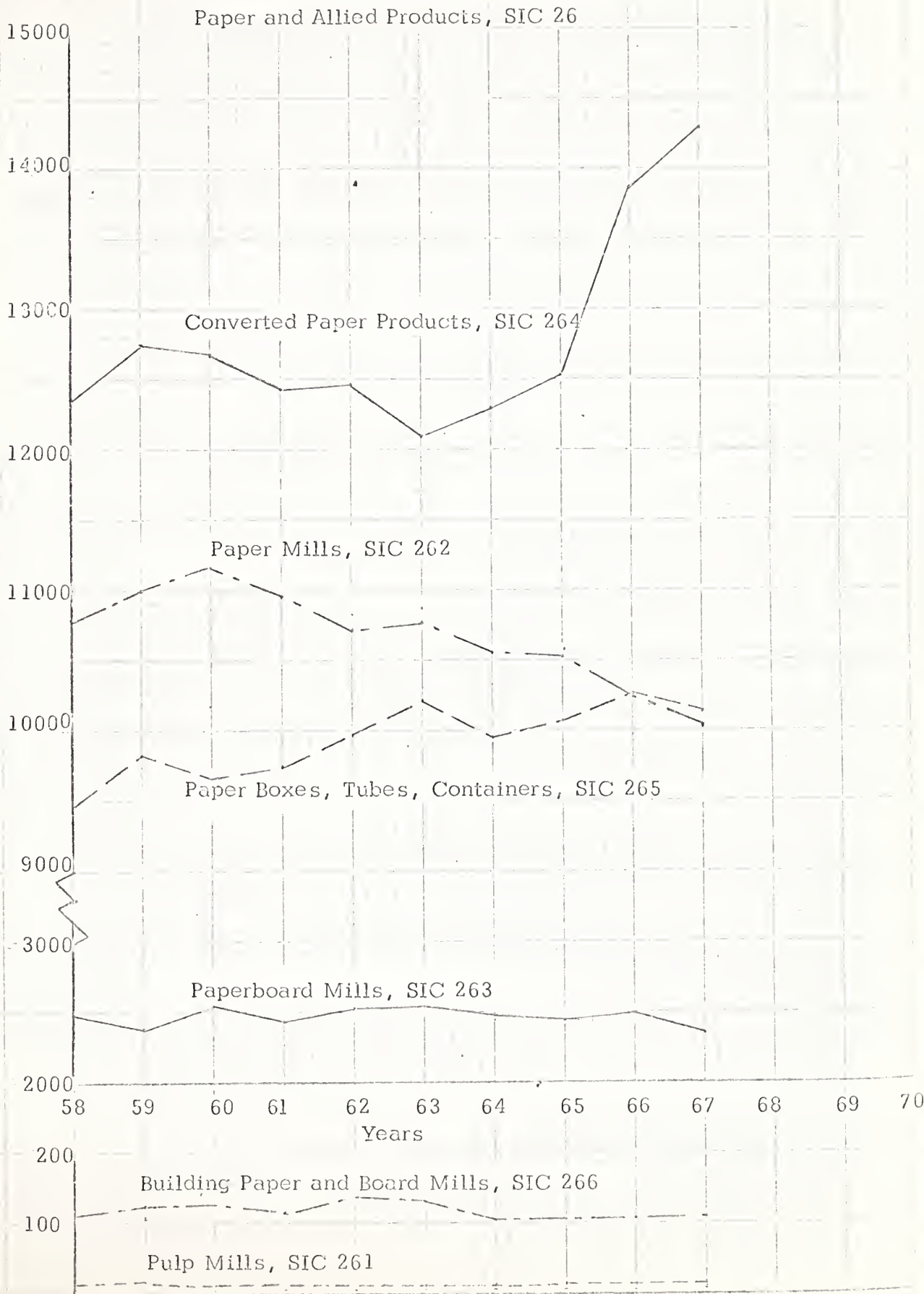
1/ Includes wood and metal firms

Average Annual Employment in Massachusetts
Timber-Based Industries, 1958 to 1967



NEC: Not Elsewhere Classified

Average Annual Employment in Massachusetts
Timber-Based Industries 1958 to 1967



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